



United States Postal Inspection Service
Pittsburgh Division

United States Postal Inspection Service

Testimony on Identity Fraud

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Good morning Representative Kotik and distinguished members of the Consumer Affairs Committee. My name is David Anderchak and I have been a Postal Inspector for eight years and am assigned to the Pittsburgh Division Headquarters Office. I am the president of the Pittsburgh Chapter of the International Association of Financial Crimes Investigators and work with the Financial Crimes Task Force of Southwestern Pennsylvania. I am the Loss Prevention Coordinator for the United States Postal Inspection Service in Western Pennsylvania as part of the Financial Industry Mail Security Initiative (FIMSI).

Membership in FIMSI includes security and retail managers, prosecutors, and representatives of the mailing industry. FIMSI traces its roots back to 1992 when the Postal Inspection Service sponsored its first Credit Card Mail Security meeting in Washington, DC. As the financial fraud initiative expanded, so did Inspection Service sponsorship of Financial Crimes Task Forces throughout the country. In FY 2011, 17 such task forces were hard at work, generating 730 cases, claiming 375 arrests, executing 108 search warrants; making 165 presentations; and more than \$12.5 million in court ordered restitution.

Identity fraud occurs when thieves use the victims' personal identifying information to order merchandise, obtain credit, or otherwise falsely represent themselves. The information enables a thief to commit numerous forms of fraud, which may include taking over your financial accounts; opening new bank accounts in your name; purchasing cars; applying for loans, credit cards, and Social Security benefits; renting apartments; or establishing utility or phone services. When a criminal uses the mail to commit identity fraud, it falls under the jurisdiction of the Postal Inspection Service.

Even in today's world of fast-evolving technologies, U.S. Mail remains one of the most secure means of transmitting personal information. A survey by the Federal Trade Commission of ID theft victims disclosed that victims were 20 times more likely to have had their identity compromised through electronic breaches, dishonest employees of financial institutions or data processors, theft of wallets or purses, or by a trusted family member or friend - none of which have anything to do with mail. Postal Inspectors investigate crimes involving the criminal use of the mail. Once a thief has compromised a victim's identity, the mail may be used to apply for credit, order merchandise, and conduct other illegal business in the victim's name.

The U.S. Postal Service delivers more than 170 billion pieces of mail a year to roughly 149 million customers at some of the most affordable postal rates in the world. U.S. Postal Inspectors are mandated to safeguard all of it—including the people who move it and the customers who use it—and it's all included in the price of a stamp.

I hope this testimony proves useful for you regarding the issue of identity theft. I am available at this time to answer any questions you may have.